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Thailand

Rice Price - Weekly

Weekly Rice Price Update

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Report Highlights:

TH0159 Despite a continuing weakening of the Thai baht to 29.8 baht/\$, domestic and export prices of white rice increased 5-7 percent from the previous week due to strong demand from Iran. In addition, Thai rice millers are still speculating that main-crop paddy production damage from flooding will be a significant 3.0 million tons of paddy despite the government's estimate of 0.5 - 0.6 million tons of paddy.

Post:
Bangkok

Market Tone

Table 1: Export Prices (FOB) for various grades of Thai rice (USD/MT), Week ending Nov. 22, 2010

Quality	Exporter Observations							Period Average	
	#1	#2	#3	#4	#5	#6	#7	CUR.	PRV.
F WR 100 B	1,030	-	1,100	-	1,050	1,010	-	1,048	1,091
WR 100 B	550	-	565	-	550	565	550	556	529
PB 100%	550	-	565	-	550	565	550	556	551
PB 5%	545	-	560	-	545	560	545	551	545
WR 5%	535	-	550	-	540	540	545	542	514
WR 10%	530	-	535	-	530	535	-	533	500
WR 15%	510	-	525	-	-	530	-	522	490
WR 25%	485	-	490	-	-	495	-	490	480
WR 35%	-	-	-	-	-	-	-	-	-
A1 SUP	415	-	435	-	425	425	-	425	429
A1 SPEC	-	-	-	-	-	-	-	-	-

Exchange rate: 29.8 baht/U.S.\$

Source: Average actual prices received from exporters

Despite a continuing weakening of the Thai baht to 29.8 baht/\$, domestic and export prices of white rice increased 5-7 percent from the previous week as Iran concluded deals to buy approximately 50,000 tons of new-crop premium Thai white rice for shipment in December. It's expected that the Iranian buyers will continue to seek enquiries for Thai white rice since Vietnam's exportable supplies are tight and its new-crop supplies will not be available until March 2011. In addition, Thai rice millers are still speculating that main-crop paddy production damage from flooding is significant at 3.0 million tons of paddy despite the government's estimate of 0.5 - 0.6 million tons of paddy (0.3 - 0.4 tons milled equivalent) and an anticipated better-than-expected off-season crop of 9.2 million tons of paddy, up 1.0 million tons from the previous year's level. Meanwhile, an increase in parboiled rice prices has decelerated, up slightly 1.0 percent from the previous week, as exporters have fulfilled most of their outstanding shipments to African countries.

As for the intervention stock, the government still has outstanding stocks of 3-4 million tons which is expected to be released between 2-3 million tons once the flooding damage is assessed.

The weekly benchmark price for white rice for November 22-28 increased by 0.5 percent. As such,

farmers will receive lower compensation compared to the previous week. Farmers that sell their supplies this week will be able to arbitrage as market prices are slightly above the benchmark prices.

Table 2: Price Insurance Scheme for MY2009/2010 - MY2010/2011 rice crop

	Rice paddy				
	Fragrant rice (Hommali)	Provincial fragrant rice	Pathum fragrant rice	Glutinous rice	White rice
1. Eligible tonnage (ton/household) ^{a/}	14	16	25	16	25
2. Insured prices (Baht/ton) ^{a/}	15,300	14,300	11,000 ^{d/}	9,500	10,000
3. Benchmark prices (Baht/ton) ^{b/ c/}					
Oct 25-31	14,372	13,952	11,212	15,746	8,357
Nov 1-7	14,278	13,934	11,211	15,752	8,414
Nov 8-14	13,957	13,566	11,295	15,752	8,487
Nov 15-21	13,995	13,419	11,666	15,992	8,687
Nov 22-28	13,627	13,195	11,763	16,239	8,732
4. Compensation (1-2), (Baht/ton)					
Oct 25-31	928	348	-	-	1,643
Nov 1-7	1,022	366	-	-	1,586
Nov 8-14	1,343	734	-	-	1,513
Nov 15-21	1,305	881	-	-	1,313
Nov 22-28	1,673	1,105	-	-	1,268
5. Market prices (Baht/ton)					
Oct 25-31	15,250	13,500	11,300	18,000	8,100
Nov 1-7	14,500	13,500	11,400	17,500	8,100
Nov 8-14	14,500	13,000	11,700	17,500	8,800
Nov. 15-21	14,000	13,500	11,700	18,000	8,900
Nov. 22-28 ^{f/}	14,000	13,500	11,700	18,000	9,150

Note:

^{a/} Cabinet approval on
Sep. 22, 2009

^{b/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of

twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

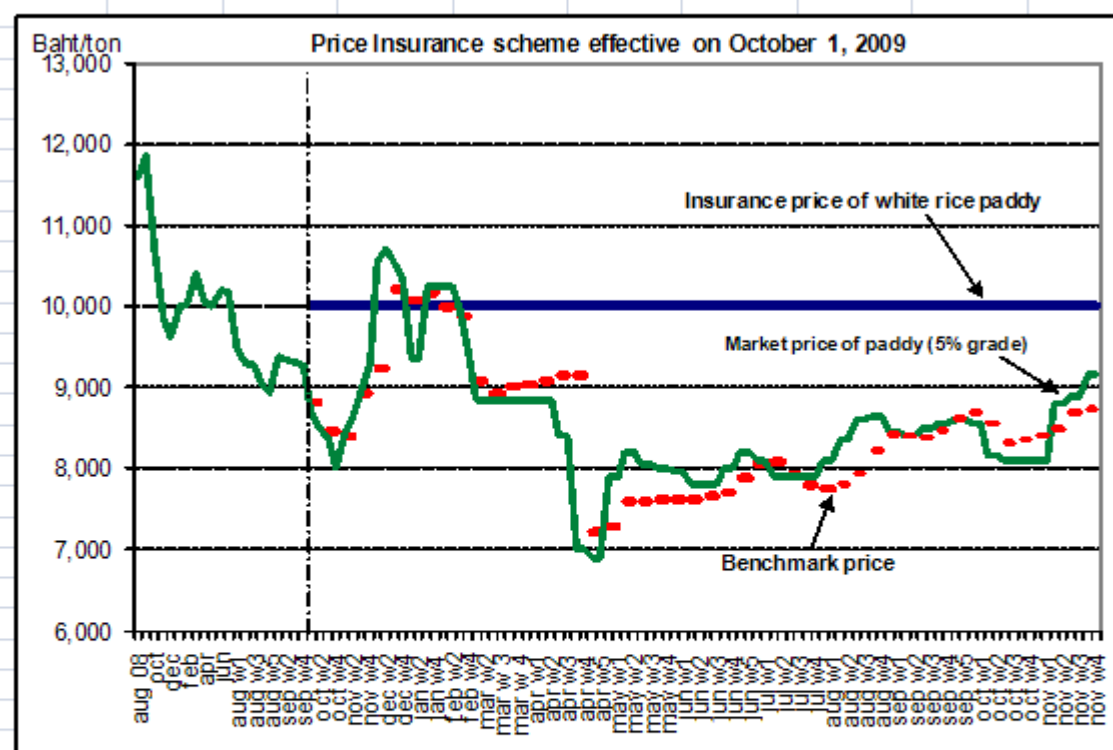
^{c/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

^{d/} The insured prices of MY 2009/10 second-crop Pathum Fragrant rice were revised up from 10,000 tons/MT in MY2009/10 main-crop price insurance scheme, effective Mar. 16, 2010

^{e/} The benchmark prices of fragrant rice and Provincial fragrant rice are for MY2010/11 crop.

^{f/} As of Nov. 22, 2010

Figure 1: Comparison of market price, insurance price, and benchmark price



Note: ^{1/} Benchmark prices are average historical wholesales prices which will be used for the calculation of compensation to farmers. The compensation is based on the difference between insurance prices and benchmark prices.

^{2/} Starting March 8, 2010 the benchmark prices will be published on a weekly basis instead of twice a month on the 1st and 16th, based on average historical wholesale prices of last 15 days in Bangkok. The prices are set by the Subcommittee on Benchmark Price Determination, chaired by the Permanent Secretary General of the Ministry of Commerce.

^{3/} Starting Apr. 26, 2010 the benchmark prices will be based on average wholesales price of last week in Bangkok.

Rice Export Update

Unofficial rice exports (excluding fragrant rice) for November 15-21, 2010 totaled 166,973 tons, down 9,477 tons from the previous week, and down 629 tons from the four-week moving average of 167,602

tons. Exports of white rice and parboiled rice during January 1 – November 21, 2010 totaled 5,652,513 tons, up 5.8 percent from 5,344,934 tons in the previous year.

According to the Department of Foreign trade, Ministry of Commerce, total rice exports (including fragrant rice) during January 1 – November 16, 2010 amounted to 7,463,425 tons, down 1.5 percent from 7,574,833 tons in the previous year.

Table 3: Weekly rice exports (excluding fragrant rice)

WEEK ENDING	QUANTITY	4-WK AVG	YEAR TO DATE	YEAR AGO	YEAR TO DATE AS % OF LAST YEAR
	(MT)	(MT)	(TMT)	(TMT)	(%)
Sep 12	144,218	118,605	4,057	4,197	-3.3
Sep 19	147,715	134,113	4,205	4,336	-3.0
Sep 26	165,570	141,324	4,370	4,459	-2.0
Oct 3	158,804	154,077	4,529	4,557	-0.6
Oct 10	136,566	152,164	4,666	4,666	0.0
Oct 17	150,078	152,755	4,816	4,762	1.1
Oct 24	166,295	152,936	4,982	4,905	1.6
Oct 31	175,976	157,229	5,158	5,027	2.6
Nov 7	151,009	160,340	5,309	5,121	3.7
Nov 14	176,449	167,432	5,486	5,234	4.8
Nov 21	166,973	167,602	5,653	5,345	5.8

Note on data: Export figures since March 22, 2002, do not include fragrant rice. The authority to report fragrant rice exports was moved from the Thai Board of Trade to the Ministry of Commerce's Office of Commodity Standards, which does not release official fragrant rice export data. FAS/BKK will report only official export numbers from the Board of Trade for non-fragrant and from the Office of Commodity Standards for fragrant rice when available, but the reader should bear in mind the difference between the data.

Source: Board of Trade of Thailand

Table 4: Weekly private registered rice export sales			
Movement (MT)	Nov 1-5	Nov 8-12 (Revised)	Nov 15-19 (Preliminary)
Weekly sales	216,251	161,453	195,245
4 week sum	751,088	698,200	719,397
4 week mov. avg.	187,772	174,550	179,849
Year-to-date sales	6,092,863	6,254,316	6,449,561

End of report.